Agreement between SIDO and SBI

969. DR. NAUNIHAL SINGH : Will the PRIME MINISTER be pleased to state :

(a) whether it is a fact that a memorandum of understanding was likely to be signed between the Small Industries Development Organisation (SIDO) and the State Bank of India for a joint programme to develop the small scale sector, if so, the details thereof ;

(b) what is the thrust of the programme;

(c) whether it is also a fact that the small and tiny units got only 8.7 per cent of their turnover as working capital loans which was considered 'extremely low' ;

(d) if so, the reasons therefor ; and

(e) what concrete steps have been taken by Government to improve this situation of small and tiny units ?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPARTMENT OF SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUSTRIES) (SHRI M. ARUNACHALAM) : (a) Only preliminary discussions have been held with State Bank of India to explore the possibilities of joint efforts to support specific programmes for the benefit of small scale sector.

(b) The thrust of the discussions has been to consider Enterpreneurship Development, Modernisation and Sick Unit revival programmes for their effective implementation.

(c) to (e) The Committee to examine the adequancy of institutional credit to the Small Scale Industry Sector and related aspects (Nayak Committee) has observed that Small Scale Sector as a whole received a level of working capital of only 8.1 per cent of its output. The village industries and the smaller tiny industries among them could get working capital finance to the extent of only about 2.7 per cent of their output. Banks have therefore been advised to give preference to village industries tiny industries and other small scale units in that order, while meeting the credit requirements of the small scale sector.

Banks have also been instructed that henceforth for the credit requirements of village industries, tiny industries and other SSI units having aggregate fund-based working capital limits upto Rs. 1 crore from the banking system are to be provided working capital limits computed on the basis of a minimum of 20% of their projected annual turnover of new as well as existing units. In accordance with Nayak Committee's recommendation specialised branches to meet credit requirement of small scale industries are being opened in 85 district where there are large concentrations of small scale industries.

Scheme announced by the Prime Minister for unemployed youths

970. SHRI VITHALBHAI M. PATEL : Will the PRIME MINISTER be pleased to state :

(a) whether the scheme announced by the Prime Minister to pay loan upto Rs. 1 lakh to the unemployed youths to start business has since been implemented ;

(b) what are the guidelines for the implementation of the above Scheme ;

(c) the number of application received by the Ministry from the unemployed youths, State and the Union Territories-wise, and

(d) what are the reasons for the delay, if any in implementation of the above Scheme ?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPARTMENT OF SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUSTRIES (SHRI M. ARUNACHALAM): (a) Yes, Sir.

(b) The guidelines for the implementation of the Prime Minister's Rozgar Yojana are at Statement-I (*See* below) ;

(c) As per the information received from some of the States/Union Territories 85,682 applications have been received by the implementing agencies by November,